

Senate File 287 - Introduced

SENATE FILE 287

BY DANIELSON

A BILL FOR

1 An Act establishing a certified nonprofit professional loan
2 forgiveness program and fund.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.118 Certified nonprofit
2 professional loan forgiveness program.

3 1. As used in this section, "*eligible nonprofit*
4 *organization*" includes but is not limited to a nonprofit
5 organization in this state whose purpose is to assist homeless
6 or formerly homeless individuals and their family members,
7 victims of family and domestic violence, or very low-income
8 individuals and their families in meeting their mental health,
9 physical health, dental, child care, nutrition, or housing
10 needs.

11 2. A certified nonprofit professional loan forgiveness
12 program is established to be administered by the commission.
13 An individual who holds a certified nonprofit professional
14 credential issued by the university of northern Iowa is
15 eligible for the program if the individual resides in this
16 state and is employed by an eligible nonprofit organization in
17 this state.

18 3. Each applicant for loan forgiveness under this section
19 shall, in accordance with the rules of the commission, complete
20 and annually file with the commission an application for
21 certified nonprofit professional loan forgiveness or renewal
22 of the loan forgiveness, as applicable, and annually file an
23 affidavit verifying that the applicant is a certified nonprofit
24 professional employed by an eligible nonprofit organization.
25 The applicant shall be responsible for the prompt submission of
26 any information required by the commission.

27 4. A certified nonprofit professional who meets the
28 requirements of this section is eligible for loan forgiveness
29 payments for not more than five consecutive years. The annual
30 amount of loan forgiveness awarded under this section to a
31 certified nonprofit professional employed by an eligible
32 nonprofit organization shall not exceed the resident tuition
33 rate established for the first year following the certified
34 nonprofit professional's graduation from the university of
35 northern Iowa, or twenty percent of the certified nonprofit

1 professional's total federally guaranteed Stafford loan
2 amount under the federal family education loan program or the
3 federal direct loan program, including principal and interest,
4 whichever amount is less.

5 5. A certified nonprofit professional loan forgiveness fund
6 is created as a separate fund in the state treasury under the
7 control of the commission for deposit of moneys appropriated
8 to or moneys received by the commission for use under the
9 program. Moneys credited to the fund are appropriated to the
10 commission for purposes of the certified nonprofit professional
11 loan forgiveness program. Notwithstanding section 8.33, moneys
12 deposited in the fund shall not revert to any fund of the
13 state at the end of any fiscal year but shall remain in the
14 loan forgiveness fund and be continuously available for loan
15 forgiveness under the program. Notwithstanding section 12C.7,
16 subsection 2, interest or earnings on moneys deposited in the
17 fund shall be credited to the fund.

18 6. The commission shall submit in a report to the general
19 assembly by January 1, annually, the number of certified
20 nonprofit professionals who received loan forgiveness payments
21 pursuant to this section, the eligible nonprofit organizations
22 in which the certified nonprofit professionals were employed,
23 the amount paid to each certified nonprofit professional
24 under this section, and other information identified by the
25 commission as indicators of outcomes from the program.

26 7. The commission shall adopt rules pursuant to chapter 17A
27 to administer this section.

28 EXPLANATION

29 The inclusion of this explanation does not constitute agreement with
30 the explanation's substance by the members of the general assembly.

31 This bill establishes a certified nonprofit professional
32 loan forgiveness program under the administration of the
33 college student aid commission. Under the program, a certified
34 nonprofit professional who resides in this state, graduates
35 from the university of northern Iowa, and is employed by

1 an eligible nonprofit organization is eligible for loan
2 forgiveness payments for up to five years. The bill provides
3 that an "eligible nonprofit organization" includes but is not
4 limited to a nonprofit organization in this state whose purpose
5 is to assist homeless or formerly homeless individuals and
6 their family members, victims of family and domestic violence,
7 or very low-income individuals and their families in meeting
8 their mental health, physical health, dental, child care,
9 nutrition, or housing needs.

10 Applicants for loan forgiveness payments are required
11 to annually submit an application for certified nonprofit
12 professional loan forgiveness or renewal of the loan
13 forgiveness, as applicable, and an affidavit verifying that
14 the applicant is a certified nonprofit professional employed
15 by an eligible nonprofit organization. The annual amount of
16 loan forgiveness awarded to an individual under the program
17 shall not exceed the resident tuition rate established at the
18 university for the first year following the certified nonprofit
19 professional's graduation, or 20 percent of the certified
20 nonprofit professional's total federally guaranteed Stafford
21 loan amount under the federal family education loan program
22 or the federal direct loan program, including principal and
23 interest, whichever amount is less.

24 The bill creates a certified nonprofit professional loan
25 forgiveness fund in the state treasury under the control of the
26 commission for deposit of moneys appropriated to or received by
27 the commission for use under the program.

28 The commission shall submit a report to the general assembly
29 by January 1, annually, detailing the number of certified
30 nonprofit professionals who received loan forgiveness payments
31 and the amount paid to each recipient, the eligible nonprofit
32 organizations in which the certified nonprofit professionals
33 were employed, and other information identified by the
34 commission as indicators of outcomes from the program.